



**U.S. Department of Justice**

*United States Attorney  
Eastern District of California*

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*Federal Building, Room 3654  
United States Courthouse  
1130 O. Street  
Fresno, California 93721*

*559/498-7272  
Fax 559/498-7432*

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**NEW CHARGES AND DEFENDANT ADDED TO FRAUD SCHEME INDICTMENT**

FRESNO--United States Attorney John K. Vincent announced today that a federal grand jury in Fresno returned a superseding indictment charging HARRY C. SWEET, JR. and AUGUST C. GHILARDUCCI with conspiracy, mail fraud, receipt of stolen property and money laundering. SWEET was previously indicted in November 2001 on mail and wire fraud charges. The superseding indictment adds new charges and a new defendant, GHILARDUCCI, who allegedly conspired with SWEET and aided and abetted SWEET in carrying out the fraud scheme. The superseding indictment also seeks forfeiture of \$450,000 in proceeds from the scheme.

According to the superseding indictment, SWEET, 66, of Walnut Creek, California, was the owner of American Benefit Concepts, located in Walnut Creek. GHILARDUCCI, 42, of West Chicago, Illinois, was the owner of Westchester Financial Associates, located in West Chicago, Illinois. The indictment alleges that SWEET and GHILARDUCCI engaged in a scheme to defraud that involved the promotion of non-existent and fraudulent trading and investment programs. To carry out the scheme, SWEET made representations to investors about a trading or private placement program called "Bank Secured Capital Deposit Enhancement Program" which would pay a return of 25% every 8 trading weeks. In fact, no such investment vehicle existed.

The indictment further alleges that in furtherance of the scheme to defraud, the investors' funds that were given to SWEET were sent, in part, to GHILARDUCCI who obtained a fraudulent "Confirmation of Funds" letter which purported to confirm that "cash or cash equivalent, in the amount of Ten Million United States Dollars (\$10,000,000.00 USD) in good, clean, clear funds, of non-criminal origin is available as of this day in your sub account IBT/HCS-1 of the Trust." In fact, the \$10,000,000 referenced in the "Confirmation of Funds" letter did not exist, and the "Confirmation of Funds" letter was worthless and of no commercial or financial value.

The indictment further alleges that although the investors were told that their money would be used for investment, the investors' money was actually used, in part, for defendants' personal benefit, including for the payment of defendant SWEET's mortgage and credit card debt, and for defendant GHILARDUCCI's personal and business purposes. According to the indictment, the investors lost approximately \$635,000.

The charges set forth in the indictment are only allegations, and each of the defendants is presumed innocent unless and until proven guilty beyond a reasonable doubt.

Upon conviction, the conspiracy count and each mail fraud count carries a maximum penalty of 5 years in prison and a \$250,000 fine. The receipt of stolen property count carries a maximum penalty of 10 years and a \$250,000 fine. The money laundering count carries a maximum penalty of 10 years and a \$250,000 fine, or a fine totaling twice the amount of laundered funds. GHILARDUCCI is also facing wire fraud and money laundering charges in the Northern District of Illinois.

The case is being prosecuted by Assistant United States Attorneys Sheila K. Oberto and E. Robert Wright, and was investigated by the Fresno Office of the United States Secret Service.

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